

Financing Education Beyond High School

New Castle Jr./Sr. High School

January 11, 2012

7:00 p.m.

Financing Your Education

- What is financial aid?
- Where does it come from?
- Who is eligible?
- How do I apply?
- What aid is available?

What is Financial Aid?

- Grants
- Scholarships
- Loans
- Employment Opportunities
- Veterans Benefits
- 3rd Party Agencies



What is Financial Aid, and Where Does it Come From?

- **What is It?**

- Scholarships
- Grants
- Loans
- Employment Opportunities

- **What Are the Sources?**

- Federal
- State
- Individual Institutions
- Private Organizations and Agencies

Who is Eligible?

- High school diploma or equivalent.
- Must be enrolled or accepted for enrollment in eligible program of study.
- Must be pursuing degree, certificate, or other recognized credential.
- Must be U.S. citizen or eligible noncitizen.
- Must be registered with Selective Service (if male and required).
- May not have eligibility if convicted of a drug-related offense.
- May not have eligibility if convicted of a sexual offense.

Application Process

- Submit FAFSA prior to school's deadline
- Most aid awarded on “first come, first served” basis
- To ensure maximum consideration for federal, state, and institutional aid *check information from each school to determine:*
 - Required application materials for each
 - FAFSA always. However, scholarship forms? institutional applications? CSS Profile Form?
 - Application deadlines



Pin Registration

- Website:
www.pin.ed.gov

Not required, but
speeds processing

- May be used by students and parents throughout aid process, including subsequent school years



The screenshot shows the Federal Student Aid PIN website. At the top, there is a header with the Department of Education logo, the text "START HERE GO FURTHER FEDERAL STUDENT AID", and the title "Federal Student Aid PIN". Below the header is a navigation bar with links: "PIN Home", "Help", "Contact Us", "FAQs", and "About Us". On the left side, there is a vertical menu with links: "Apply For A PIN", "Check PIN Status", "Request A Duplicate PIN", "Access My PIN E-mail", "Change My PIN", "Update My Personal Information", "Disable My PIN", "Reestablish My PIN", and "Activate My PIN". Below this menu is a "Helpful Links" section with links to "Student Aid on the Web", "Links to Federal Student Aid Electronic Services", and "FAFSA on the Web". The main content area features a welcome message: "Welcome to the Federal Student Aid PIN Web site" with a blue dot graphic. Below this, it states: "This Web site is your source of information for the Federal Student Aid PIN." and "Your PIN can be used each year to electronically apply for federal student aid and to access your Federal Student Aid records online. If you receive a PIN, you agree not to share it with anyone. Your PIN serves as your electronic signature and provides access to your personal records, so you should never give your PIN to anyone, including commercial services that offer to help you complete your FAFSA. Be sure to keep your PIN in a safe place." On the right side, there is a blue box titled "Apply For A PIN" with the text: "The PIN Application is for students and parents who want to apply for a Federal Student Aid PIN." and a blue "APPLY NOW" button. Below this box is a yellow "Apply Now" button.

FAFSA



- Submit FAFSA at www.fafsa.ed.gov
- Apply annually
- Full time and part time students can qualify

CAUTION!

- Avoid being charged a fee to file the **Free Application for Federal Student Aid**
 - Completion and processing of the FAFSA are FREE
 - If filing the FAFSA electronically, be sure to go directly to www.fafsa.ed.gov
 - Contact the financial aid office for help completing the FAFSA



Frequent FAFSA Errors

- Failure to sign FAFSA!!!
- Incorrect Social Security Numbers
- Divorced/remarried parental information
- Income earned by parents/stepparents
- Untaxed Income
- U.S. Income Taxes Paid
- Household Size
- Number of Household members in college
- Real Estate and Investment Net Worth

FAFSA Processing Results

- CPS notifies student of FAFSA processing results by:
 - Email notification containing a direct link to student's online SAR if student's email was provided on paper or electronic application.
- Student with PIN may view SAR online at www.fafsa.ed.gov
- Review results for accuracy; update any "estimated" info with "actual" once available.

Role of the Financial Aid Office

- Determines aid eligibility using federal formula
- Packages aid depending on availability of funds
- Sends award notification including:
 - Award amount for each program for which the student is eligible
 - Disbursement methods and time frames
 - Terms and conditions of each award

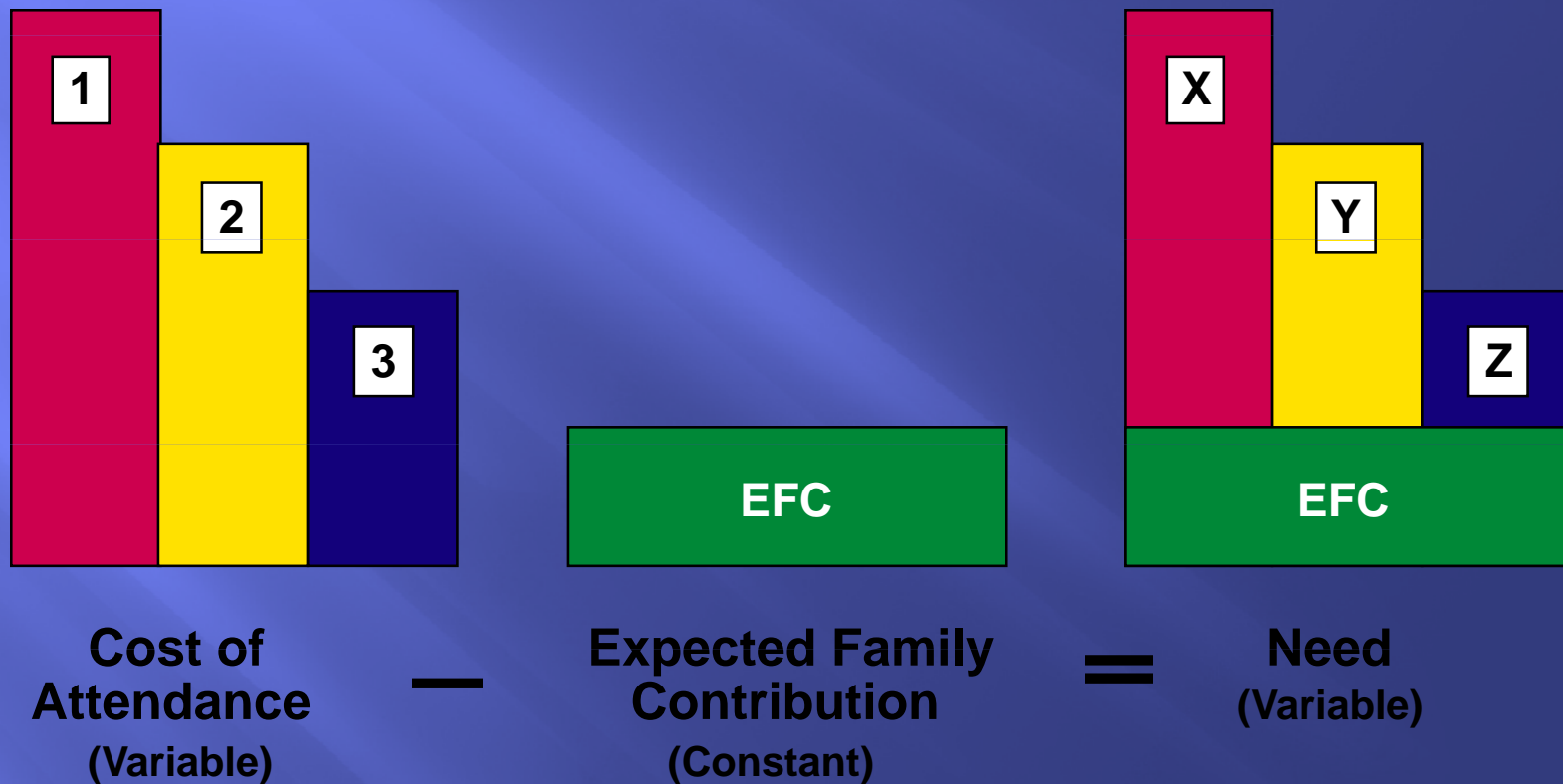
Cost of Attendance

- Tuition and fees
- Room and board
- Books, supplies, transportation, and miscellaneous personal expenses, including documented costs for a personal computer
- Loan fees
- Study abroad costs
- Dependent care expenses
- Disability-related expenses
- Cooperative education program costs

Expected Family Contribution (EFC)

- The amount the family is expected to contribute toward education costs for the year based on the information reported on the FAFSA. Takes into consideration:
 - Base year (2011) income (student and parent)
 - Assets (student and parent)
 - Household Size
 - Number of children in household in college
 - Untaxed income

Need Varies Based on Cost



Net Price Calculator

- All institutions are required to have a net price calculator on their website by October 2011.
- “Net Price” is what the student actually pays to attend, after subtracting discounts and financial aid.

Federal Pell Grants

- Awarded to eligible undergraduates pursuing first baccalaureate degree and certain students enrolled in post-baccalaureate teacher certification or licensing programs
- Portable
- Actual award amount based on EFC and enrollment status
- Maximum award for 2010-11 = \$5,550

Federal Supplemental Educational Opportunity Grants (FSEOG)

- Eligible students:
 - Undergraduates pursuing first baccalaureate or professional degree
 - Awarded first to students with “exceptional financial need” (i.e., students with lowest EFCs at that school)
 - Priority to Federal Pell Grant recipients
- Annual award amounts:
 - \$100 minimum
 - \$4,000 maximum

Federal Work–Study (FWS) Earnings

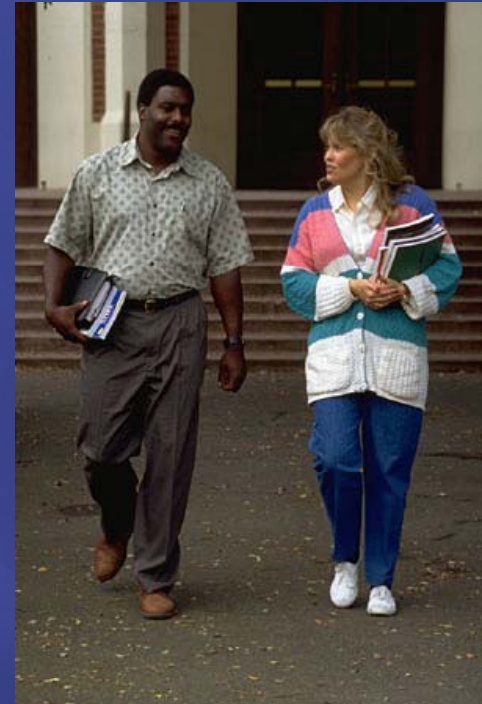
- Eligible students: Undergraduate, graduate, and professional students
- Employment may be on or off campus
- Eligible employers:
 - Schools
 - Federal, state, or local public agencies
 - Certain private nonprofit and for-profit organizations
- Schools must use portion of FWS funds for community service employment activities

Federal Perkins Loans

- Eligible students:
 - Undergraduate, graduate, and professional students
 - Priority to students who show “exceptional need,” as defined by school
- Loan amount varies
- Maximum annual loan amounts:
 - \$4,000—undergraduate students
 - \$6,000—graduate and professional students

Federal Perkins Loans

- Interest rate: 5%
- 9-month grace period
- Repayment period may be up to 10 years
- Deferment and cancellation provisions available



Stafford/ Ford Direct Loans

- Subsidized Loans: Must demonstrate “need”
Government pays interest while in school
- Unsubsidized Loans: Not based on “need”
Interest accrues quarterly/option to pay interest while in school

Principal and interest of loan begin repayment
6 months after student graduates or cease
enrollment at ½ time status

Federal Loan Limits

- ▣ Freshman \$3500.00
- ▣ Sophomore \$4500.00
- ▣ Junior/Senior \$5500.00

- ▣ Additional \$2000.00 unsubsidized loan for each grade level

Federal PLUS Loan

- Parent loan program for parents of dependent undergraduate students
- Annual loan limit: COA minus other aid
- Interest Rate: 7.9%
- Loan fees
- Repayment begins once loan is fully disbursed.
 - “Forbearance” option available to postpone repayment while student is in school.
- Additional unsubsidized loan eligibility for dependent students whose parents are unable to borrow PLUS.

PHEAA State Grants and Special Programs

▣ PA State Grant Deadlines

■ May 1, 2012

- ▣ First time and Renewal applicants that plan to enroll in a degree program or a college transferable program at a community college or other college/university

■ August 1, 2012

- ▣ First time applicants that plan to enroll in a community college; business, trade, or technical school; or a 2 year program that is not transferable to another institution.

PA State Grant Program

- ▣ PA State Grant
 - Full-time, in PA.....up to \$4348
 - Part time, in PA.....up to \$2174
- ▣ Out of state..... up to \$600 in CT, DE, MA, ME, OH, RI, VT, WV, and DC
- ▣ All other states.....up to \$400
(NJ, NY, and MD = 0)

Amount determined by cost of school

Other State Programs

- ▣ State Work-Study-job related to major
- ▣ Educational Assistance Grant (EAP) – National Guard
- ▣ Chafee Education and Training Grant
- ▣ Blind and Deaf Beneficiary Grant
- ▣ Postsecondary Educational Gratuities Program
- ▣ Partnerships for Access to Higher Education (PATH)

For details, see the PA Guide to Student Aid, or visit
www.pheaa.org

Third Party Agencies

- ▣ Require FAFSA completion
- ▣ May require additional applications
- ▣ Disbursements/payments vary throughout the semester

Special Circumstances

- Cannot be reported on the FAFSA; the FAFSA creates a “baseline” EFC
- Family must send explanation of circumstances to financial aid office at each college
- College will review special circumstances
 - May require additional documentation
 - Decisions are final and cannot be appealed to U.S. Department of Education

Where Do I Go From Here?

- Obtain and review admissions and financial aid websites and materials for each school to which you are applying.
- Meet all application deadlines
 - Complete FAFSA and other application materials, such as College Scholarship Service's PROFILE application, if required by school or state agency.
 - Submit all requested follow-up documents
- Investigate other sources of funding

Important Websites

- www.fafsa.ed.gov
- www.pin.ed.gov
- www.studentloans.gov
- www.fastweb.com
- www.youcandealwithit.com
- www.educationplanner.org

Good Luck!

